Overview of Transportation Benefit Districts (RCW 36.73)

Establishment:
The legislative authority of a county or city may establish a Transportation Benefit District (TBD) within the county or city area for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district. The TBD must be consistent with any existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels. This can include maintenance and improvements to city streets, county roads, state highways, investments in high capacity transportation, public transportation, transportation demand management and other transportation projects identified in a regional transportation planning organization plan or state plan.

When establishing the TBD area, the jurisdiction proposing to create the TBD may include other counties, cities, port districts, or transit districts through interlocal agreements. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions.

The Transportation Benefit District area may be less than jurisdiction wide.

A TBD expenditure plan must be specified in the ordinance establishing the TBD, and may not be changed without first going before a public hearing. A TBD must be dissolved when all debt has been paid and anticipated responsibilities have been satisfied.

Note: King, Pierce, and Snohomish Counties, and their respective cities cannot exercise this authority until after December, 1, 2007.

Revenue Authority:
Subject to voter approval, TBDs have independent taxing authority to implement the following revenue measures:

(1) property taxes (a one year levy, and/or a levy for general obligation bonds);
(2) Up to 2/10 of 1% local option sales and use taxes;
(3) an annual vehicle fee per vehicle registered in the district, not to exceed $100;
(4) tolls; and
(5) transportation impact fees.

Revenue rates, once imposed, may not be increased, unless authorized by voter approval. If project costs exceed original costs by more than 20 percent, a public hearing must be held to solicit public comment regarding how the cost change should be resolved. The district must be dissolved upon completion of the project(s) and the payment of debt service.

2007 Legislative Action-Substitute House Bill 1858.

- Up to the $20 of the $100 vehicle fee can be imposed through by TBD without a public vote if the TBD is jurisdiction wide (county-wide, city(ies)-wide). If a fee combined with other previously imposed fees will exceed $20 per vehicle, the latter TBD must provide a credit for the previously imposed fees so that the combined fee is $20.
- Counties have the sole authority to impose the fee within the first one hundred eighty days of the effective date of the act, unless a county waives the authority by adopting a resolution to that effect. After one hundred eighty days, a city or cities can independently create a TBD to impose the $20 vehicle license fee.
- A county seeking to create a TBD must first attempt to impose a county-wide fee to be shared with cities by interlocal agreement. Sixty percent (60%) of the cities representing seventy-five (75%) of the city population must approve the interlocal agreement for it to be effective. If an interlocal agreement cannot be reached, the county is authorized to create a TBD and impose the fee only in the unincorporated area.
- City or counties creating a TBD can impose transportation impact fees through governing board action. However, this impact fee was changed to exclude all residential development from the impact fee. (Note: If a city or county has already imposed a transportation impact fee, then imposing the same impact fee using a TBD is prohibited.)